



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

For Immediate Release

September 12, 2000

Treasurer Angelides Awards \$64 Million for the Extra Credit Teacher Home Purchase Program

Sacramento, CA—Today, an award of \$64,149,000 in tax credits and reduced interest rate loans to teachers and principals is expected to be approved by the California Debt Limit Allocation Committee, which is chaired by State Treasurer Philip Angelides. The tax credits and loans will help teachers and principals willing to serve in low performing schools to purchase a home.

Under the Extra Credit Teacher Home Purchase Program, teachers and principals who commit to serve in designated low performing schools for five years will qualify for tax credits worth approximately \$37,000 over the life of a 30-year, \$150,000 mortgage – an annual savings of \$1800. Extra Credit will help to bolster struggling communities by strengthening neighborhood schools.

“The Extra Credit program targets a scarce public resource to those schools that struggle the most, and to those teachers and principals who are qualified and willing to help those schools achieve success,” said Angelides.

California faces a shortage of 250,000 teachers over the next ten years due to a growing population and the implementation of class-size reduction. The teacher shortage has contributed to the already acute problem of attracting qualified teachers to low performing schools that are often located in poor, rural and urban school districts.

Awards will be made to seven cities and counties to help locally adopted Extra Credit programs recruit and retain teachers and principals who agree to serve in low performing schools. Funding priority is given to programs that match the State award with local down payment assistance. Eligible teachers and principals receiving tax credits through the Extra Credit program also will be guaranteed at least \$7500 in local down payment assistance.

Awards will be made to Sacramento County, San Francisco, Santa Clara County, Los Angeles City and County, Orange County and San Bernardino County.

Extra Credit was adopted by CDLAC in April 2000, and these awards represent the first allocations made under this new program. Allocations for the program will be awarded annually.

###